

OUR FILE: 4003-1

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Division of Consumer Affairs

By: James F. McDonough, Jr., Esq.,
Court Appointed Monitor.

PETER C. HARVEY
Attorney General of New Jersey and
RENI ERDOS, Director of the
Division of Consumer Affairs,

SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION
GENERAL EQUITY
MONMOUTH COUNTY

DOCKET NO. MON-C-384-02

Plaintiffs,

vs.

ORDER

Chelsea Manor Unlimited,
The Cabbage Rose Ltd.,
William Neumann a/k/a Newman,
Individually and as owner of Chelsea
Manor Unlimited and/or The Cabbage
Rose Ltd., John and Jane Doe 1 - 10
and XYZ companies 1 - 10

This matter having come before the Court for a Case Management Conference on January 14, 2004, Ginger A. Provost, Esq. DAG, appearing on behalf of the Plaintiff; Timothy P. Neumann, Esq., appearing on behalf of the Defendant; and James F. McDonough, Jr., Esq. (of Evans, Osborne & Kreizman, LLC) appearing as the Court Appointed Monitor, and for good cause shown;

It is on this 30 day of JANUARY, 2004, ORDERED as follows:

1. On or before January 21, 2004, Timothy P. Neumann, Esq. (hereinafter,

("Mr. Neumann") shall transfer the entire balance of the escrow presently held in Mr. Neumann's attorney trust account, in the approximate amount of \$55,700 (hereinafter, the "Transfer"), to the attorney trust account of Evans, Osborne & Kreizman, LLC ("EOK") and a copy of the trust account ledger card will be transmitted to James F. McDonough, Jr., Esq., the Court Appointed Monitor (hereinafter, the "Monitor").

2. Defendant, William Neumann (hereinafter, the "Defendant"), shall provide to the Monitor, financial statements prepared on a monthly basis by Mazer and Associates, P.C. (or any other certified public accounting firm). The Defendant shall also provide all supporting detail, including accountants' work papers, bank statements and invoices upon request of the Monitor.

3. Defendant shall pay \$5,000.00 each month, beginning on February 15, 2004 and continuing through and including November 15, 2004, into the EOK attorney trust account of (hereinafter, the "Escrow Fund"). Payments may be mailed to Evans, Osborne & Kreizman, LLC, CN 7808, Ocean, New Jersey 07712, or hand delivered to Evans, Osborne & Kreizman, LLC, 1500 Lawrence Avenue, Ocean, New Jersey.

4. Upon receipt of the Transfer, EOK shall issue a check from the Escrow Fund in the sum of \$6,705.16 representing one-half of the \$13,410.32 in fees requested in the Affidavit of Services dated November 26, 2004. EOK shall issue a check from the Escrow Fund in the amount of \$1,000.00 each month thereafter, **and upon receipt of the Defendants' \$5,000.00 monthly payment, until payment of the total of \$13,410.32 has been made.** No additional fees, beyond the foregoing, shall be paid to EOK without submission and approval of a supplemental Affidavit of Services.

5. The DAG and Mr. Neumann shall compile a list of consumers who have

made complaints. This preliminary list shall be circulated by Friday, January 16, 2004, and a conference call with the Defendant, his attorney and the DAG, originated by the Monitor, shall be held on Tuesday, January 20, 2004 at 4:00 pm. If the DAG and Mr. Neumann agree that a particular consumer is entitled to a refund and the amount of that refund, then that consumer's name and the amount shall be placed on a list that shall hereinafter be referred to as the "Undisputed List." If DAG and Mr. Neumann disagree on whether a consumer is due a refund or the amount of such a refund, the name of the consumer and amount in dispute shall be added to the list that shall hereinafter be referred to as the Disputed List. The Court shall retain jurisdiction over both lists.

6. Upon completion of the Undisputed List, the DAG and Defendant shall provide the Monitor with the last known address (including email address, if any) of the consumers on said list. The Monitor shall confirm the address of each consumer and advise the consumer that the Court has ordered the Monitor to pay to the consumer one-half of the amount due the consumer as recited on the Undisputed List pending the resolution of this litigation. The remaining amount due to the consumers will be paid upon Court order. The Monitor will then issue a check to the consumer for one-half of the undisputed amount. If any consumer disputes the refund amount, then the disputed amount in excess of the amount listed shall become part of the Disputed List and left for future resolution.

7. The DAG, or her designee, shall notify, by electronic mail or fax, the Defendant, Mr. Neumann and the Monitor of any new consumer complaints received (the "Notice"). Defendant shall have two weeks from the date of transmission of the Notice to report to the DAG, her designee, Mr. Neumann and the Monitor in writing with

appropriate back-up material that the complaint has been resolved or explain why there is no resolution. The DAG and Mr. Neumann shall designate to the Monitor whether the consumer is to be added to the Disputed List or the Undisputed List and any disagreement shall cause the consumer's name be added to the Disputed List.

8. In the event of a breach by Defendant of the terms of this Order, the Monitor shall notify the Court of the breach and the matter shall be set down for an immediate hearing. By way of illustration and not limitation, examples of breaches of this Order shall include Defendant's failure to: (i) make timely monthly payments, (ii) provide financial information, or (iii) the receipt of a significant number of new consumer complaints.

9. The Court retains jurisdiction over this matter notwithstanding any other provision set forth herein. The Court shall determine whether the consumers' complaints set forth on the Disputed List are valid and are entitled to reimbursement.

10. A hearing shall be held on December 6, 2004 at 9:00 a.m. on the application of the State for penalties, costs and fees in connection with this matter.

It is further ORDERED that a copy of this Order shall be served upon all counsel of record within 7 days of the date hereof.



ALEXANDER D. LEHRER, P.J.Ch.